



November 2, 2023

**BSE Ltd.,**  
P J Towers,  
Dalal Street,  
Mumbai - 400 001.  
**Scrip Code: 524735**

**National Stock Exchange of India Ltd.,**  
Exchange Plaza,  
Bandra-Kurla Complex, Bandra,  
Mumbai - 400 051.  
**Symbol: HIKAL**

Dear Sir/Madam,

**Subject: Results Presentation of the Company for the quarter and half-year ended September 30, 2023**

With reference to the subject, we are enclosing a copy of the Results presentation on the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half-year ended September 30, 2023.

This is for your information and records.

Thank you,

Yours sincerely,  
**for HIKAL LIMITED,**

**Rajasekhar Reddy**  
**Company Secretary & Compliance Officer**

**Encl: As above**

**Hikal Ltd.**

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*Results Presentation - Q2 FY24*

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Jai Hiremath

*"The global chemical industry continues to experience a challenging period with prices declining across product segments coupled with the high channel inventory levels and intense price competition. Customers are focusing on lower prices to bring down their average inventory cost while selectively making new purchases. We expect prices to bottom out, elevated inventory levels to subside and demand is likely to pick up from the end of this financial year resulting in an improvement in operating profitability quarter on quarter going forward.*

*For Q2FY24, we reported revenues of Rs. 435 Cr. and EBITDA of Rs. 57 Cr. The softening of raw materials prices along with focused cost improvement initiatives helped us to improve our margins both on a QoQ and YoY basis.*

*Our pharmaceutical business reported revenues of Rs. 270 Cr. and EBIT of Rs. 12 Cr. for Q2 FY24. On CDMO side, we continue to receive enquiries and we are in advanced stages of discussion with various global innovators. In the API segment, we are seeing signs of recovery on account of reduced price-erosion coupled with softening of certain raw materials prices leading to improved profitability. In the Animal Health segment, the progress on developing new products as part of a long-term contract with an innovator animal health company is on track. Our new multipurpose plant for Animal Health is completed at Panoli, Gujarat and commissioning is underway. We will be validating several products in the upcoming quarters.*

*For Q2FY24, our Crop Protection business reported revenue of Rs. 165 Cr and EBIT of Rs. 22 Cr. The global agrochemical industry continues to go through its most challenging phase as customers and distributors are destocking amid high channel inventories. We anticipate a recovery in demand towards the end of FY24. Softening of certain raw material prices and deployment of cost improvement programs are helping maintaining margins. Our new multi-purpose facility at Panoli is under commissioning and stabilization of the plant is in progress.*

*We are continuing our strategic transformation 'Pinnacle Program'. Significant progress has been made in building new capabilities for technology and digitization and we are gaining traction with new customers.*

*We are well positioned to benefit from the significant opportunities considering the current shift in the global supply chain and the diverse chemistries and capabilities across our various businesses. We expect a better second half with realization from cost-improvement programs and higher revenues. We expect to have sustainable growth along with profitability and are confident of medium to long term prospects of our business."*



## *Quarterly Financials Highlights*

# Sequential Recovery in Q2 - Expect to see continuous improvement in revenues and margins



Revenue - Q2 FY24  
Rs. 435 Crore



YoY  
-22%



QoQ  
12%



EBITDA - Q2 FY24  
Rs. 57 Crore



YoY  
-18%



QoQ  
14%



EBITDA Margin - Q2 FY24  
13.2%



YoY  
73 bps



QoQ  
27 bps



PAT - Q2 FY24  
Rs. 13 Crore



YoY  
-50%



QoQ  
82%



EPS - Q2 FY24  
Rs 1.02



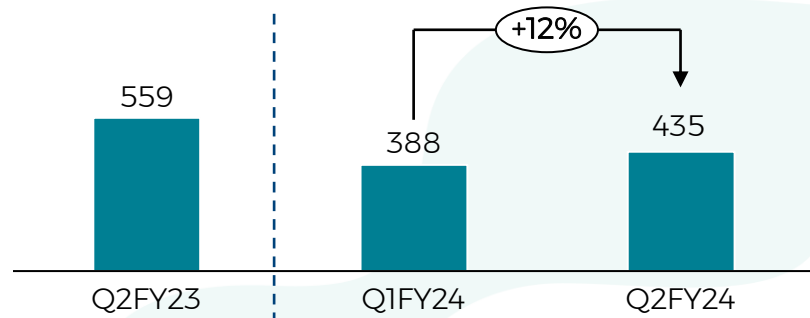
YoY  
-50%



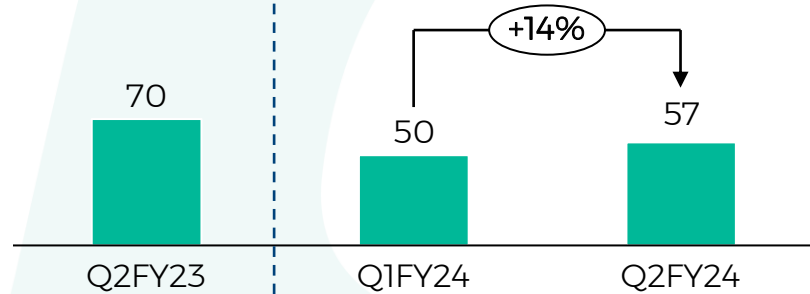
QoQ  
82%

## Quarterly Performance Highlights

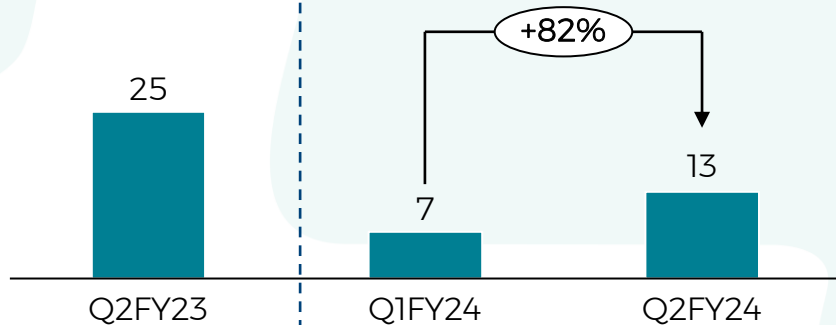
### Revenue



### EBITDA



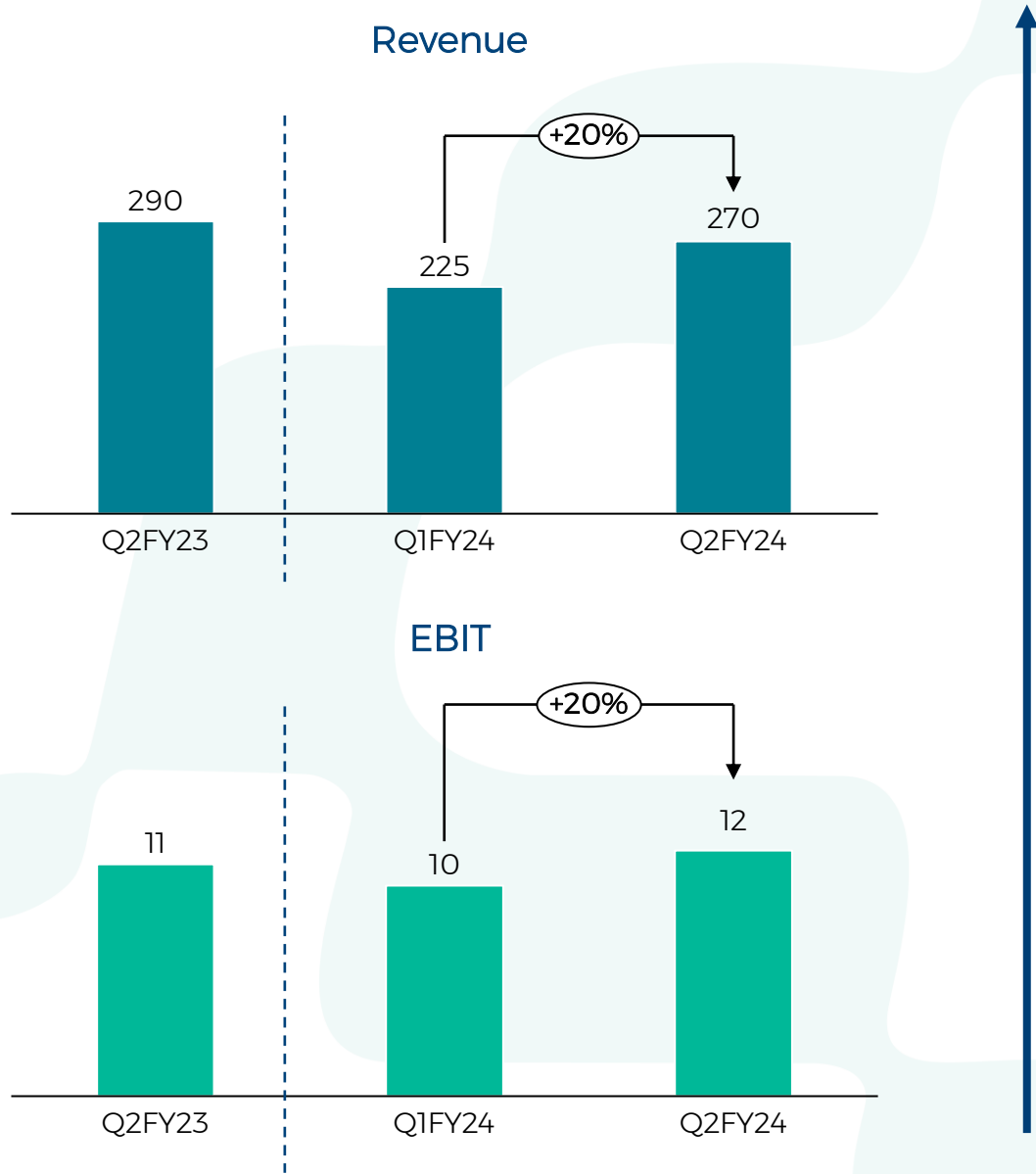
### PAT



Rs. Crore

### Performance Highlights

- Revenue recorded at Rs 435 Crore, 12% growth QoQ basis
  - Change in product mix
  - Positive traction in Pharmaceutical API segment
- EBITDA stood at Rs 57 Crore, 14% increase on QoQ basis
  - On account of cost improvement initiatives and softening of certain raw material prices
- PAT was Rs. 13 Crore
  - Lower operating leverage
  - Marginal increase in finance costs in view of interest rate hikes
- Hikal's long term credit rating is maintained at A+ by ICRA
- Sequential growth in revenue and margins is expected in the upcoming quarters

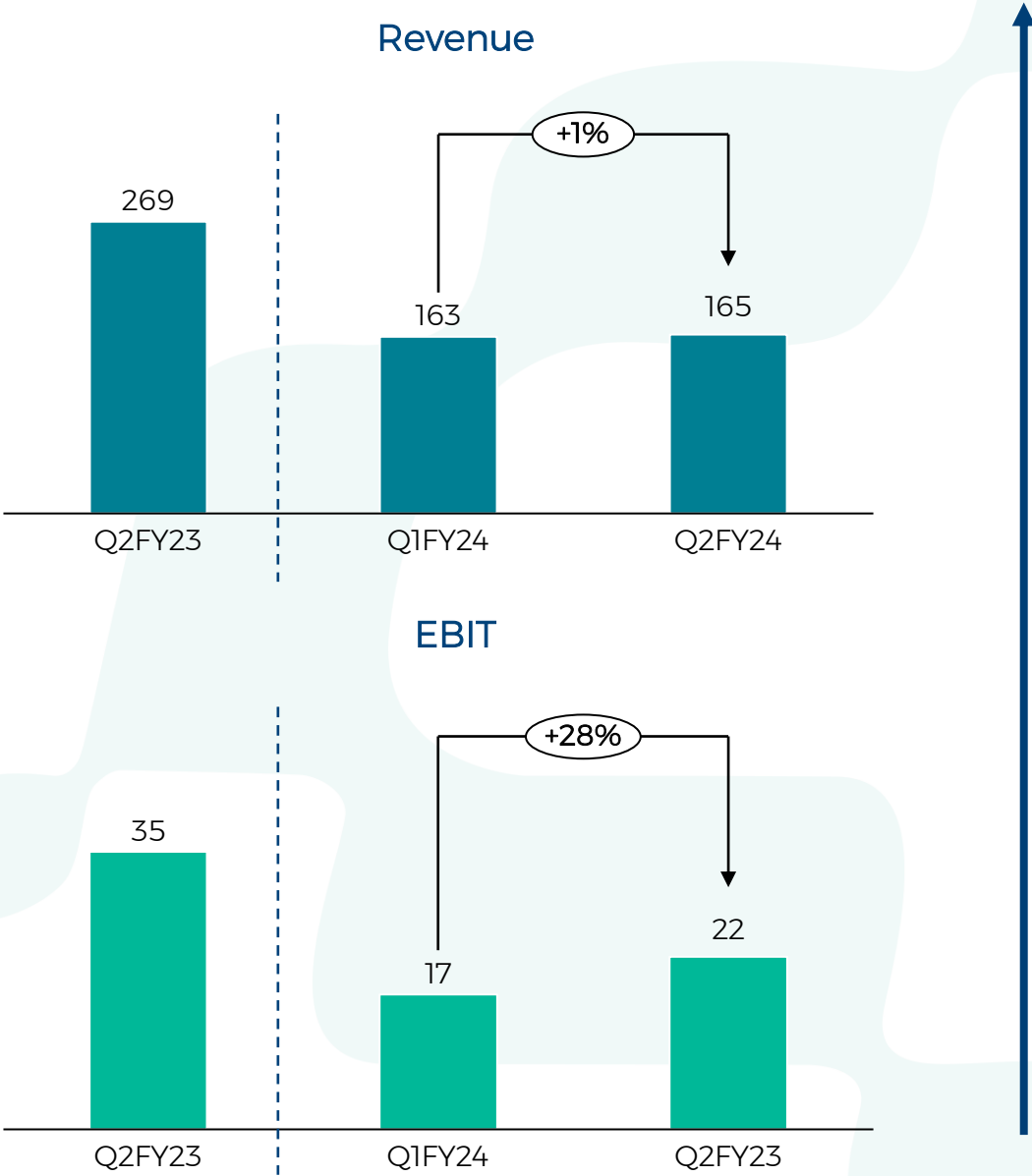


## Pharmaceuticals - Performance Highlights

- Revenue stood at Rs 270 Crore, 20% QoQ growth
  - Positive traction in Pharmaceutical API segment
- EBIT stood at Rs 12 Crore
  - Softening of certain raw material prices
  - Reduced operating leverage
  - Successful deployment of business excellence projects
- New multipurpose plant for Animal Health is completed at Panoli, Gujarat and commissioning is underway
- Deeper penetration in Japan, Latin America and Middle East geographies started yielding positive traction in API segment
- We have started receiving regulatory approval across geographies for newer API product portfolio
- We have a strong pipeline of opportunities under discussion with various global innovators



# Quarterly Performance Highlights - Crop Protection



Rs. Crore

### Crop Protection - Performance Highlights

- Revenue stood at Rs 165 Crore
  - Disruptive channel inventory correction in Agrochemicals space which has deferred demand for key products
  - Demand from customers is expected to recover towards end of Q3 FY24
- EBIT stood at Rs 22 Crore
  - Softening of certain raw material prices
  - Successful deployment of business excellence projects
- New multipurpose facility at Panoli, Gujarat is under commissioning and stabilization activity is ongoing
- We are under advanced stage of discussion with various global innovators and have strong product pipeline

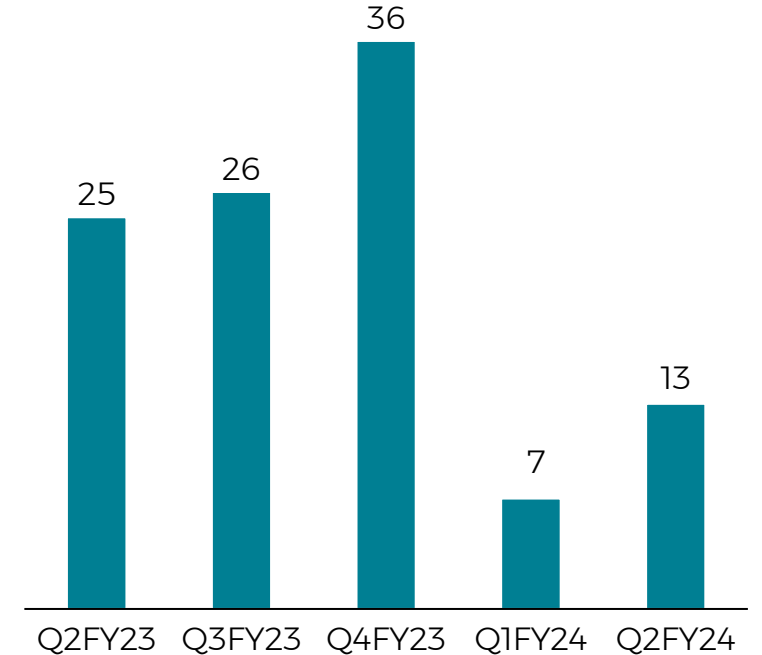
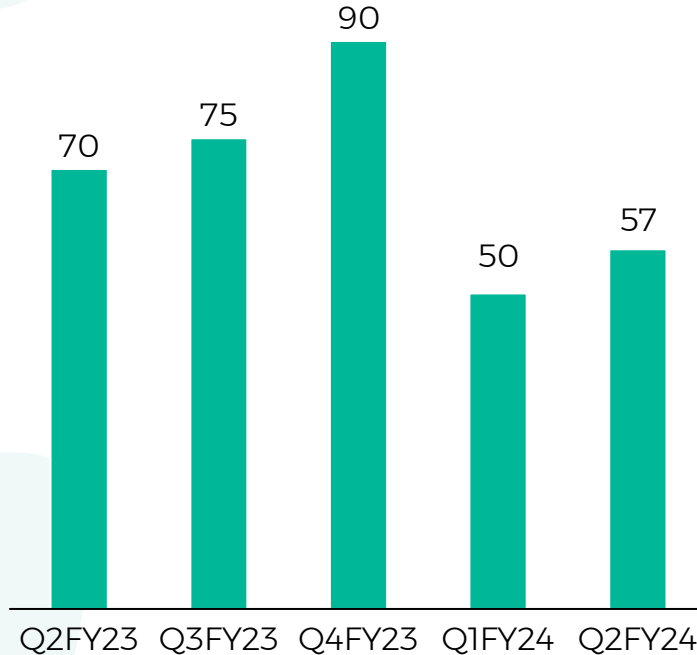
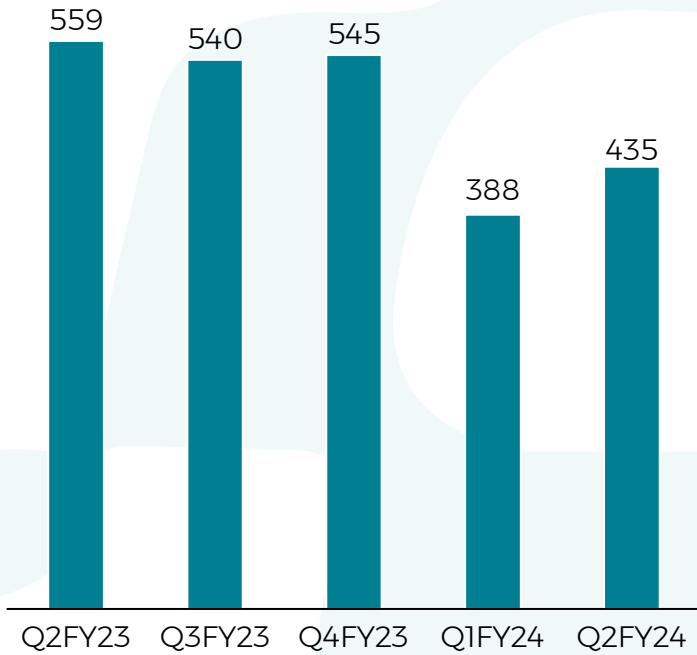
# Quarterly Financial Highlights



### Consolidated Revenue

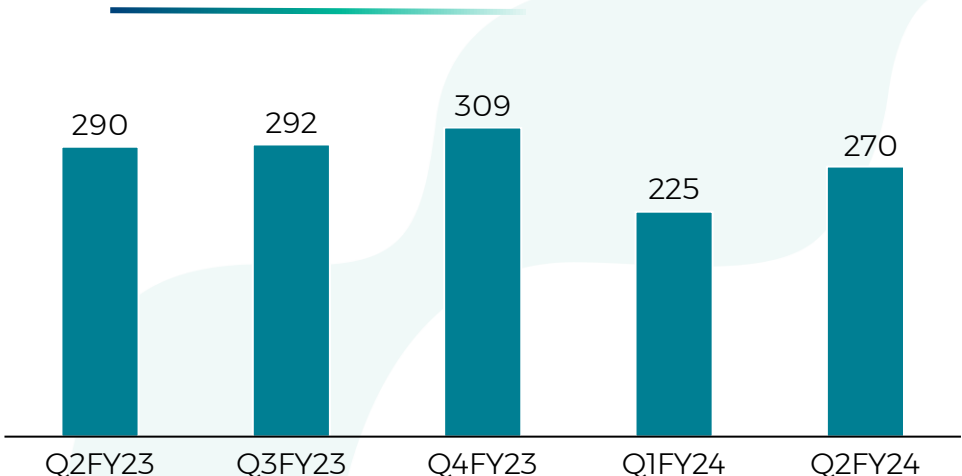
### Consolidated EBITDA

### Consolidated PAT

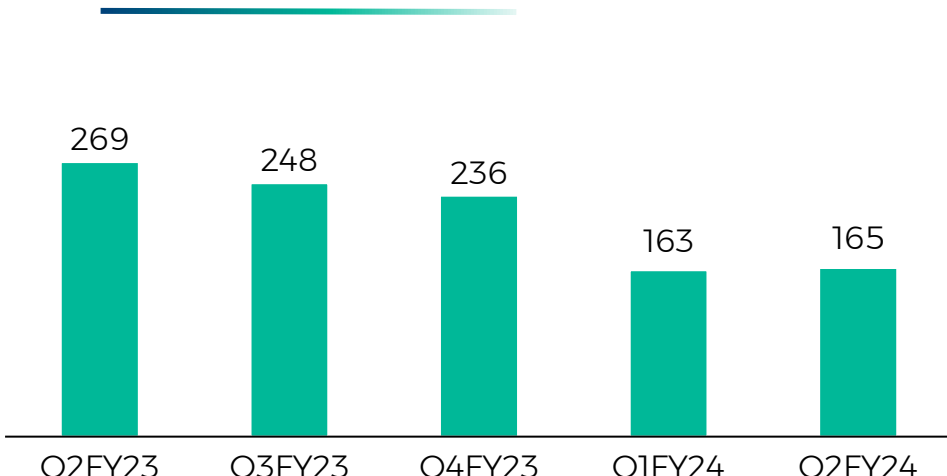


# Quarterly Segmental Highlights

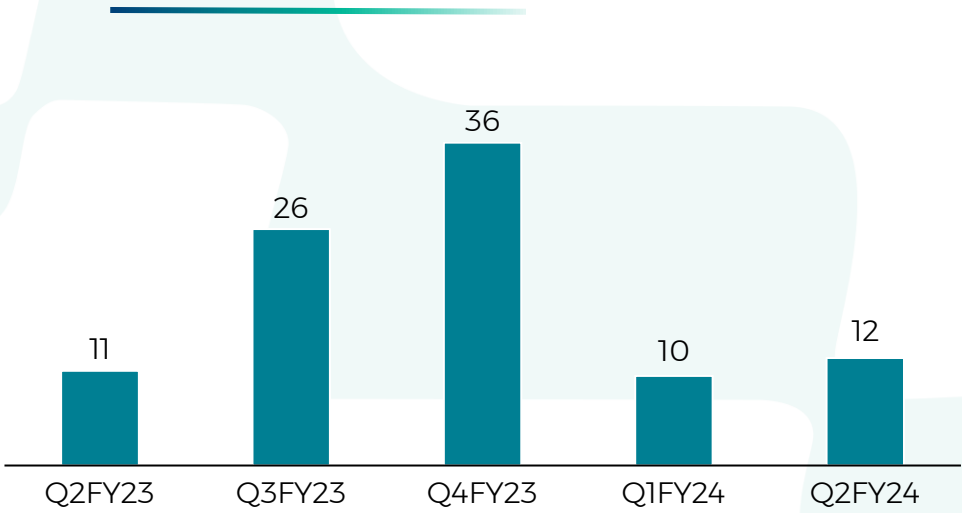
Pharmaceuticals Revenue



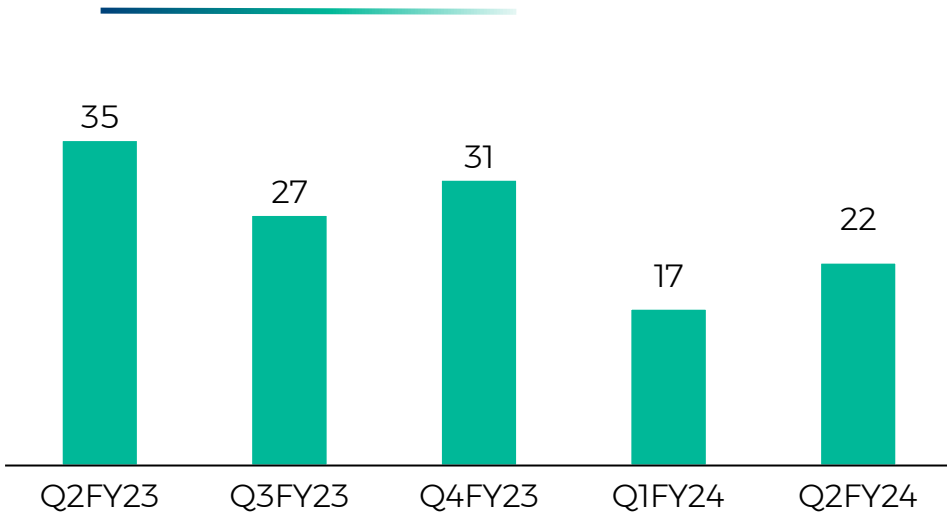
Crop Protection Revenue



Pharmaceuticals EBIT



Crop Protection EBIT



## Consolidated Profit & Loss - Q2 FY24

Particulars (Rs. Crore)	Q2 FY24	Q1 FY24	Q-o-Q	Q2 FY23	Y-o-Y
<b>Net Sales</b>	<b>435</b>	<b>388</b>	<b>12%</b>	<b>559</b>	<b>-22%</b>
Expenditure	375	338		489	
<b>EBITDA</b>	<b>57</b>	<b>50</b>	<b>14%</b>	<b>70</b>	<b>-18%</b>
<b>Margin</b>	<b>13.2%</b>	<b>12.9%</b>		<b>12.5%</b>	
Other Income	1	1		1	
Depreciation	29	28		27	
Finance Costs	13	14		11	
<b>PBT</b>	<b>17</b>	<b>10</b>	<b>74%</b>	<b>33</b>	<b>-49%</b>
Tax	4	3		8	
<b>Net Profit</b>	<b>13</b>	<b>7</b>	<b>82%</b>	<b>25</b>	<b>-50%</b>



## **Half-Yearly Financials Highlights**

# Financial Highlights - Half-Yearly



Revenue - H1 FY24  
Rs. 823 Crore



YoY  
-12%



EBITDA - H1 FY24  
Rs. 108 Crore



YoY  
17%



EBITDA Margin - H1 FY24  
13.1%



YoY  
323 bps



PAT - H1 FY24  
Rs. 19 Crore



YoY  
22%



EPS - H1 FY24  
Rs 1.57



YoY  
22%

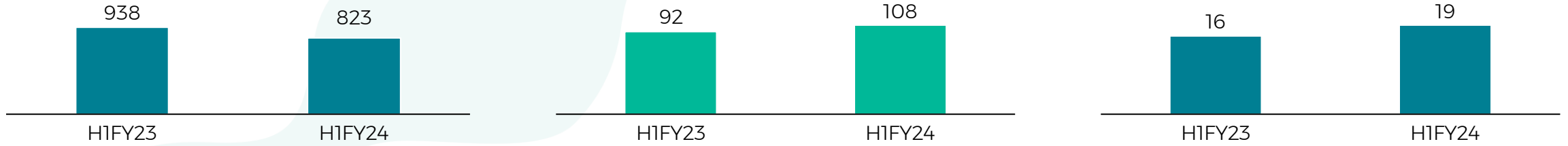
# Half-Yearly Performance Highlights



Revenue

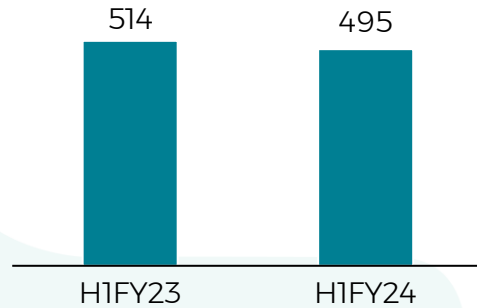
EBITDA

PAT

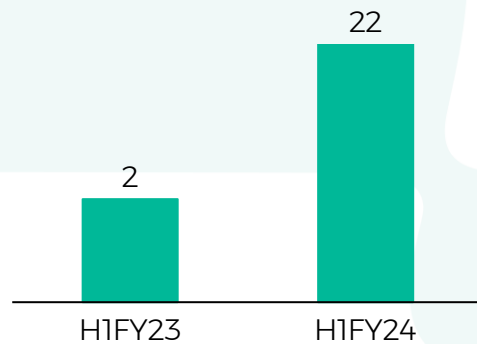


## Pharmaceuticals Division

Revenue

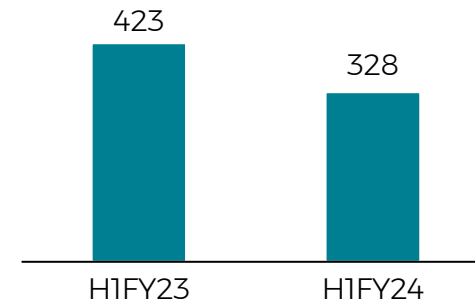


EBIT

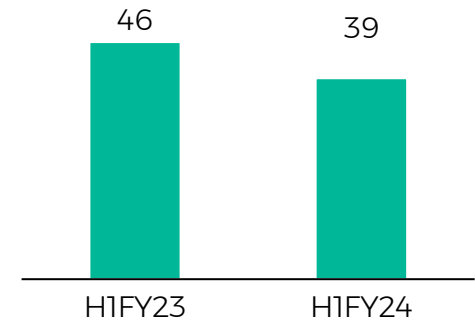


## Crop Protection Division

Revenue



EBIT

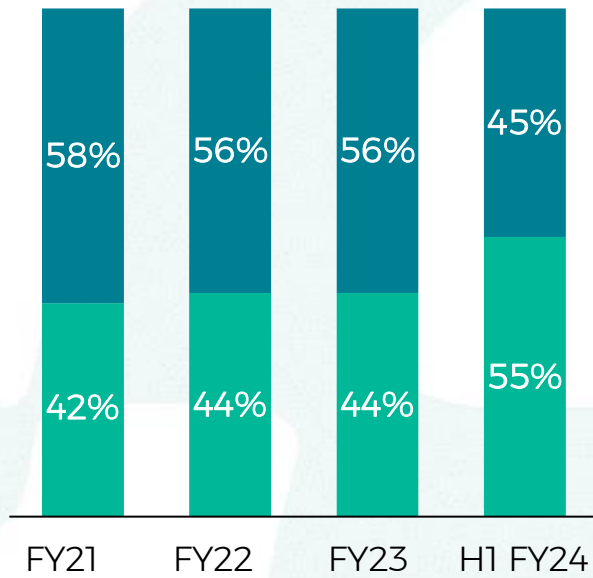


# Sales Break-Up

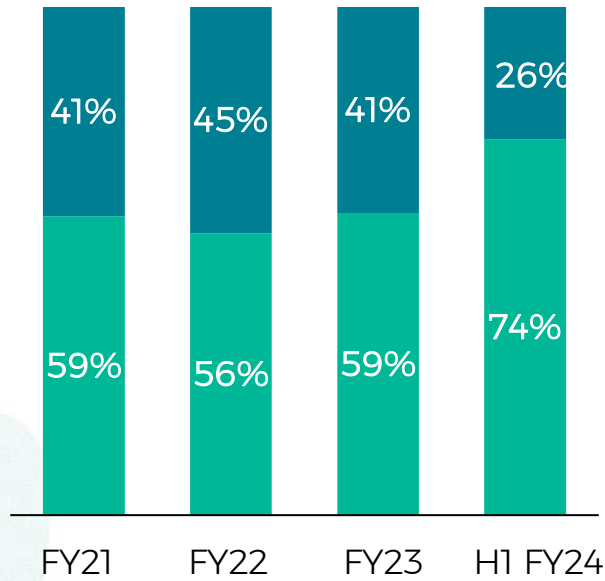


- CDMO
- Own products

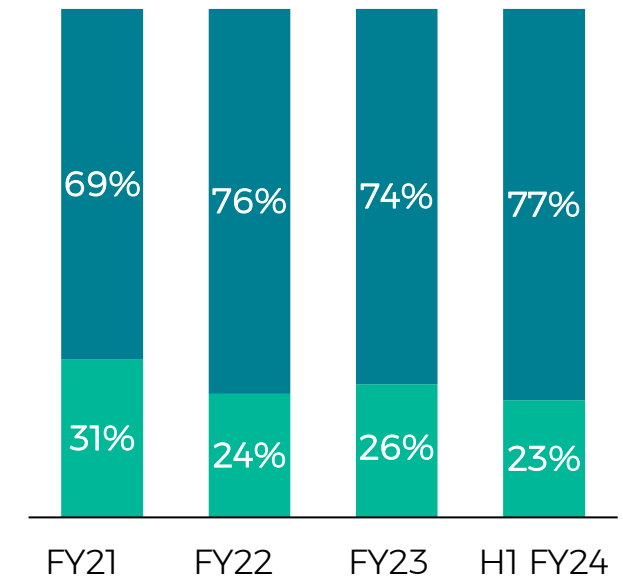
### Company Revenue Break-Up



### Pharmaceuticals Revenue Break-Up



### Crop Protection Revenue Break-Up





## Consolidated Profit & Loss - H1 FY24

Particulars (Rs. Crore)	H1 FY24	H1 FY23	Y-o-Y
<b>Net Sales</b>	<b>823</b>	<b>938</b>	<b>-12%</b>
Expenditure	715	846	
<b>EBITDA</b>	<b>108</b>	<b>92</b>	<b>17%</b>
<b>Margin</b>	<b>13.1%</b>	<b>9.9%</b>	
Other Income	2	5	
Depreciation	56	54	
Finance Costs	27	22	
<b>PBT</b>	<b>26</b>	<b>21</b>	<b>26%</b>
Tax	7	5	
<b>Net Profit</b>	<b>19</b>	<b>16</b>	<b>22%</b>

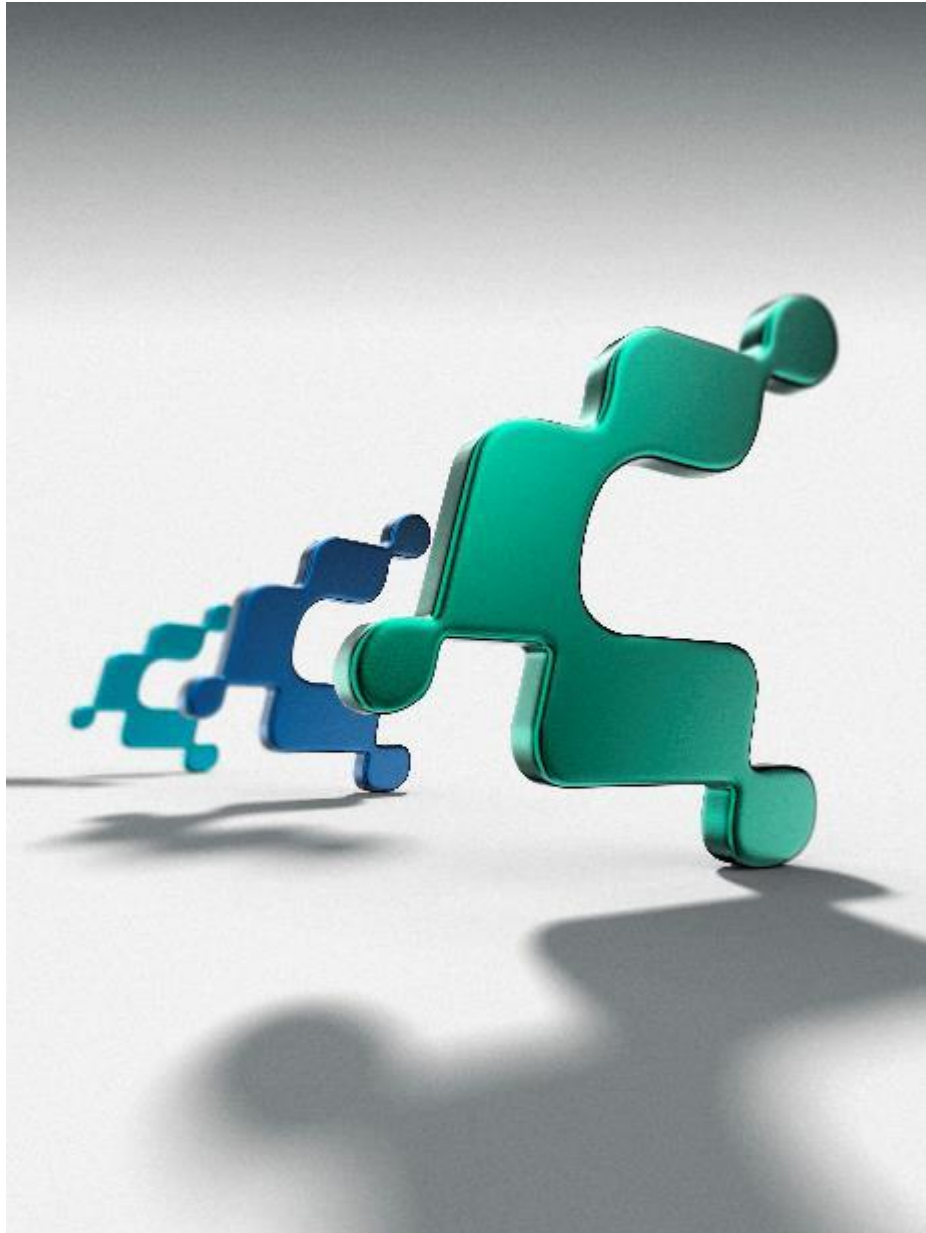
## Consolidated Balance Sheet

<b>Assets (Rs. Crore)</b>	<b>Sep-23</b>	<b>Mar-23</b>
<b>Total Non Current Assets</b>	<b>1,497</b>	<b>1,446</b>
Property, Plant and Equipment	856	885
Capital work in Progress	506	402
Right to Use Assets	62	63
Other Intangible Assets	11	-
Intangible Assets Under Development	-	10
Financial Assets		
Investments	5	5
Loans	-	-
Other	16	19
Income Tax Assets (Net)	2	2
Other Non Current Assets	37	60
<b>Total Current Assets</b>	<b>894</b>	<b>940</b>
Inventories	368	317
Financial Assets		
Current Investment	-	-
Trade Receivables	394	442
Cash & Cash Equivalents	11	27
Bank Balances	25	33
Loans	-	-
Other	13	17
Other Current Assets	83	104
<b>TOTAL ASSETS</b>	<b>2,391</b>	<b>2,386</b>

<b>Equities &amp; Liabilities (Rs. Crore)</b>	<b>Sep-23</b>	<b>Mar-23</b>
<b>Shareholders Fund</b>	<b>1,146</b>	<b>1,133</b>
Share Capital	25	25
Other Equity	1,121	1,109
<b>Total Non Current Liabilities</b>	<b>546</b>	<b>591</b>
Financial Liabilities		
Borrowings	444	490
Lease Liability	-	-
Provisions	26	24
Deferred Tax Liabilities (net)	32	33
Other non current liabilities	44	44
<b>Total Current Liabilities</b>	<b>699</b>	<b>661</b>
Financial Liabilities		
Borrowings	329	258
Lease Liability	-	-
Trade Payables	296	313
Other Financial Liabilities	42	49
Other Current Liabilities	23	24
Provisions	3	3
Current Tax Liabilities (Net)	6	14
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>2,391</b>	<b>2,386</b>

## Consolidated Cash Flow Statement

Particulars (Rs. Crore)	Half Year ended 30-Sep-23	Half Year ended 30-Sep-22
Profit before tax	26	21
<i>Adjustments</i>	87	70
Operating Profit Before Working Capital Changes	113	91
<i>Change in operating assets and liabilities</i>	3	2
Cash generated from operations	116	93
<i>Income taxes paid</i>	14	15
<b>Net cash inflow from operating activities (A)</b>	<b>102</b>	<b>78</b>
<b>Net cash inflow/(outflow) from investing activities (B)</b>	<b>(105)</b>	<b>(138)</b>
<b>Net cash outflow from financing activities (C)</b>	<b>(13)</b>	<b>63</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(16)</b>	<b>3</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>27</b>	<b>12</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>11</b>	<b>15</b>



**Annual Financials Highlights**

## Financial Highlights - Annual



Revenue – FY23  
Rs. 2,023 Crore

↑ YoY  
+4%



EBITDA – FY23  
Rs. 257 Crore

↓ YoY  
-25%



EBITDA Margin – FY23  
12.7%

↓ YoY  
-482 bps



PAT – FY23  
Rs. 78 Crore

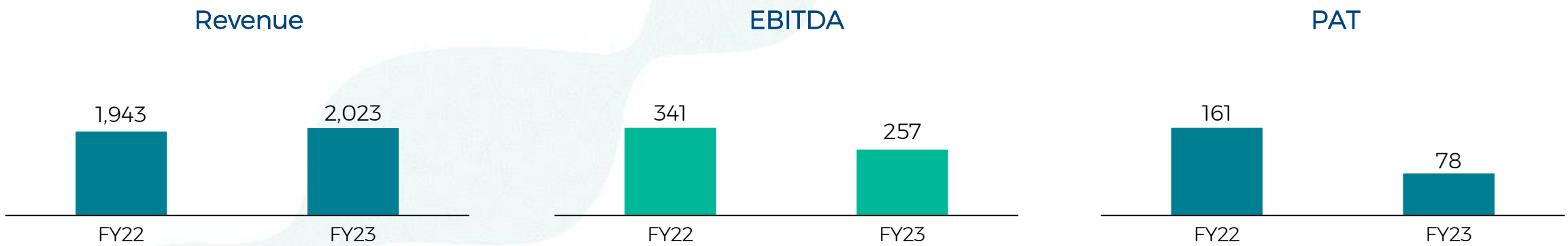
↓ YoY  
-51%



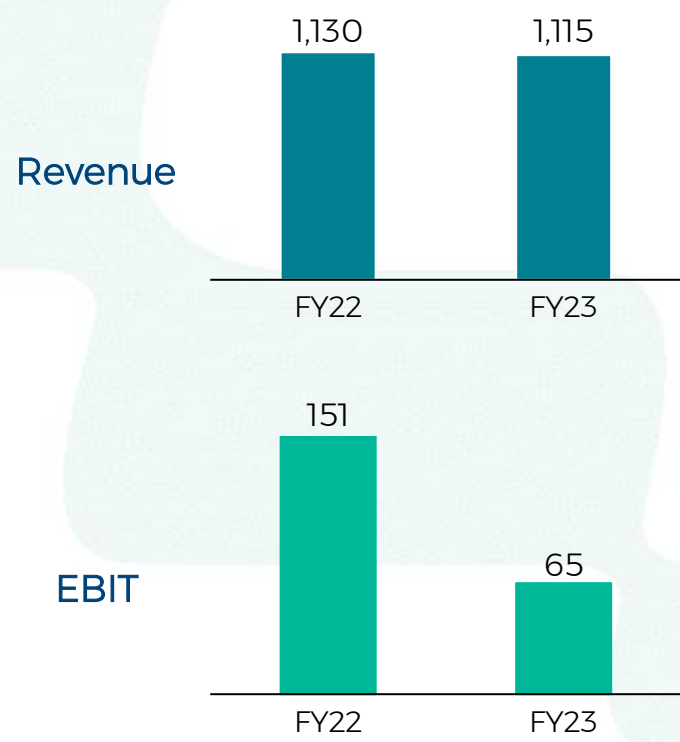
EPS – FY23  
Rs 6.36

↓ YoY  
-51%

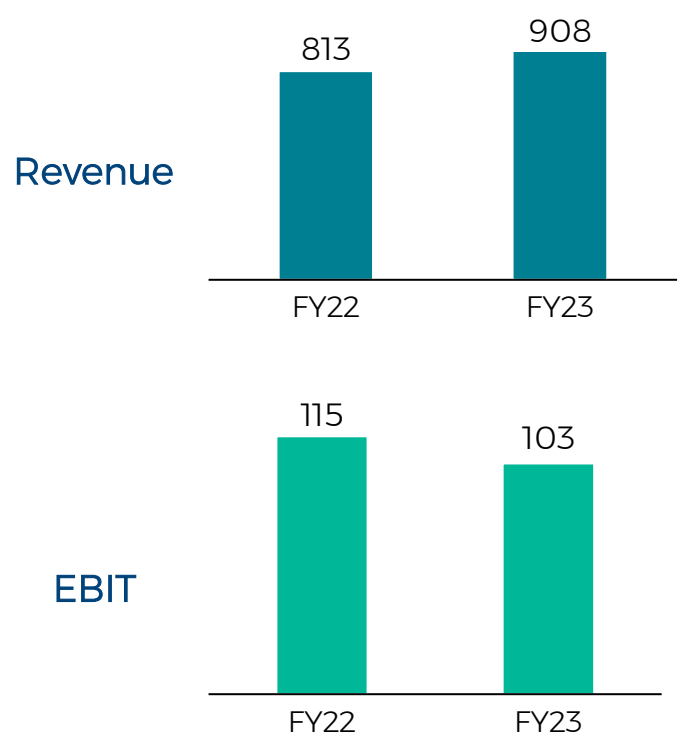
# Annual Performance Highlights



## Pharmaceuticals Division



## Crop Protection Division



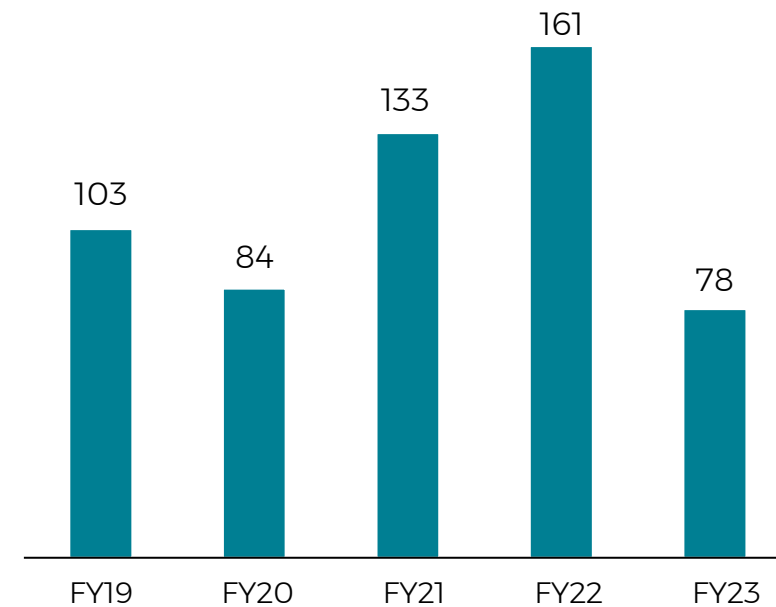
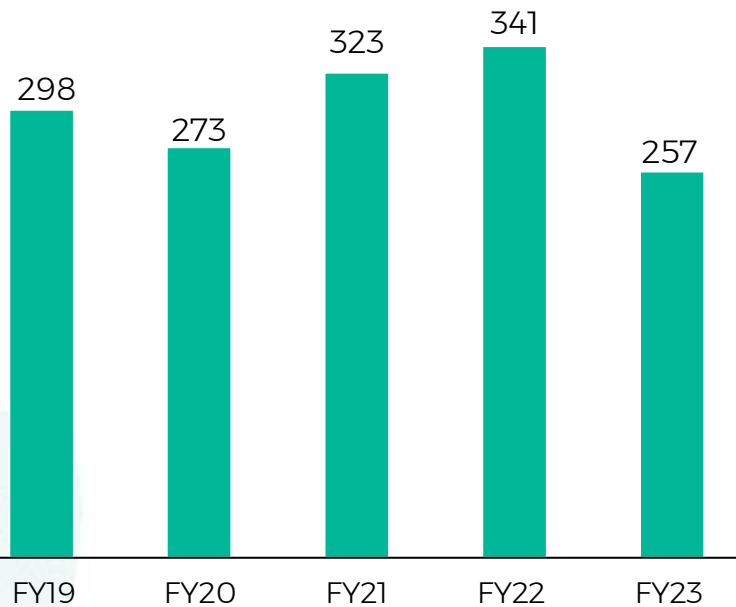
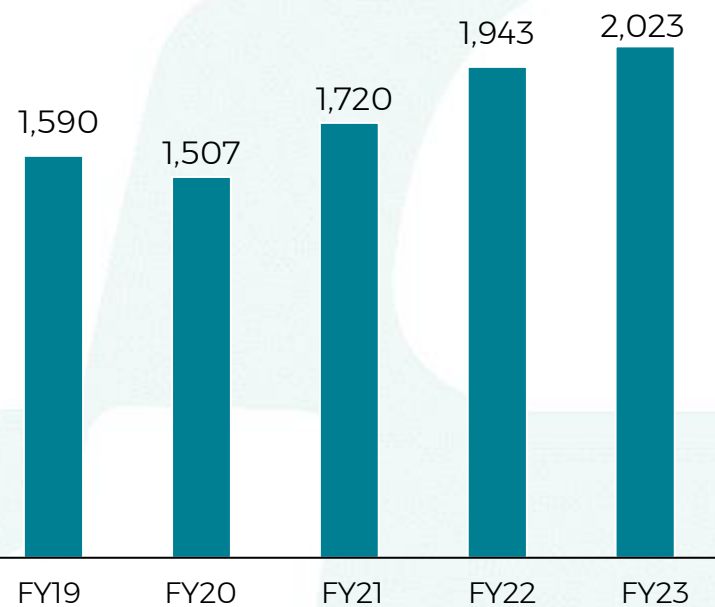
# Yearly Financial Highlights



### Consolidated Revenue

### Consolidated EBITDA

### Consolidated PAT



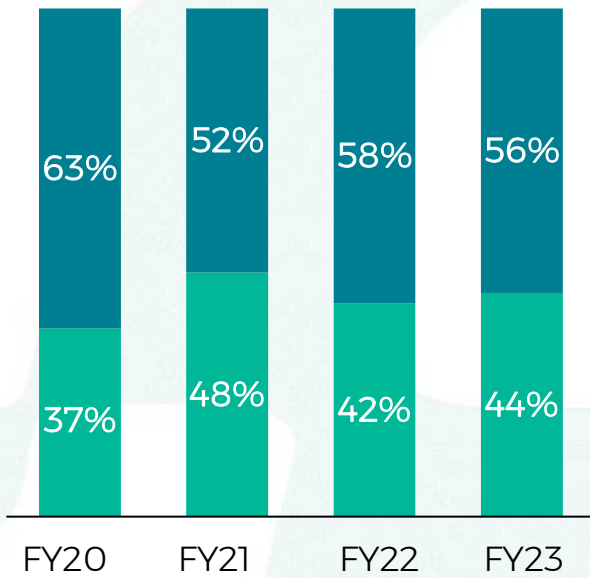
Rs. Crore

# Sales Break-Up

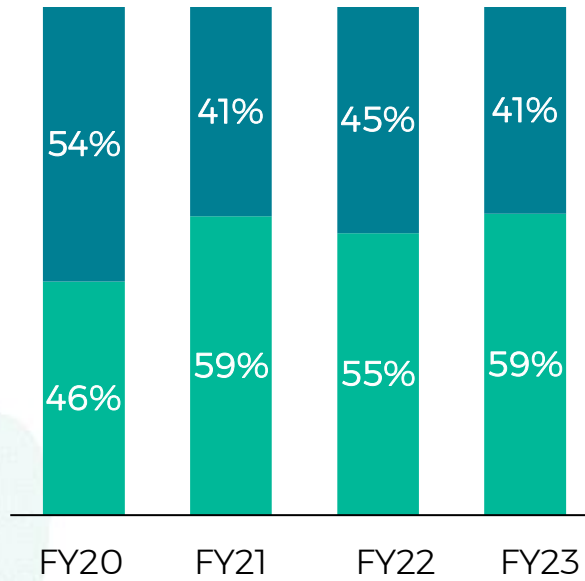


- CDMO
- Own products

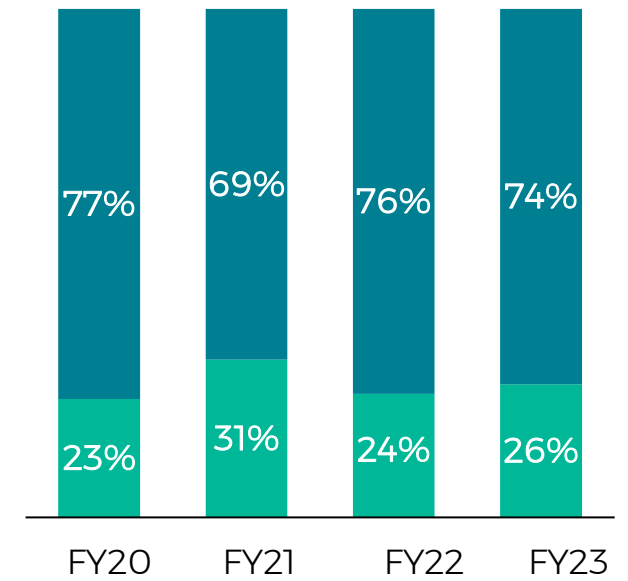
### Company Revenue Break-Up



### Pharmaceuticals Revenue Break-Up



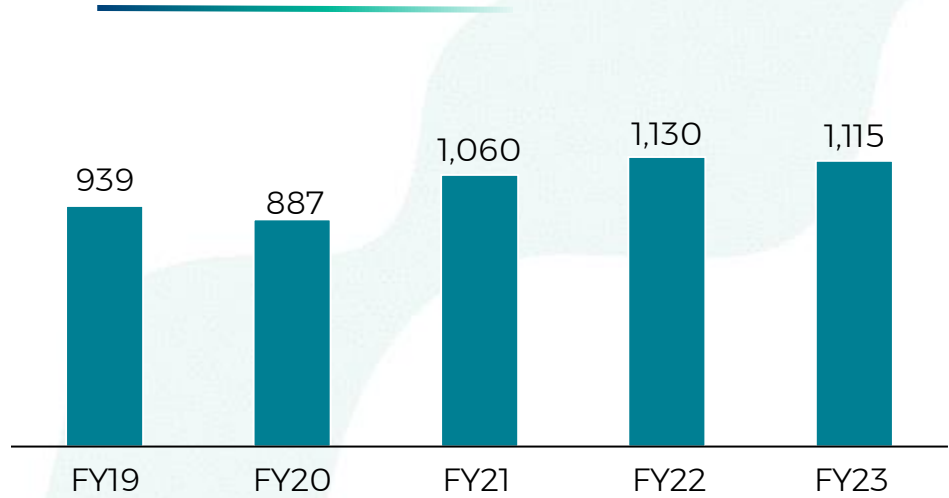
### Crop Protection Revenue Break-Up



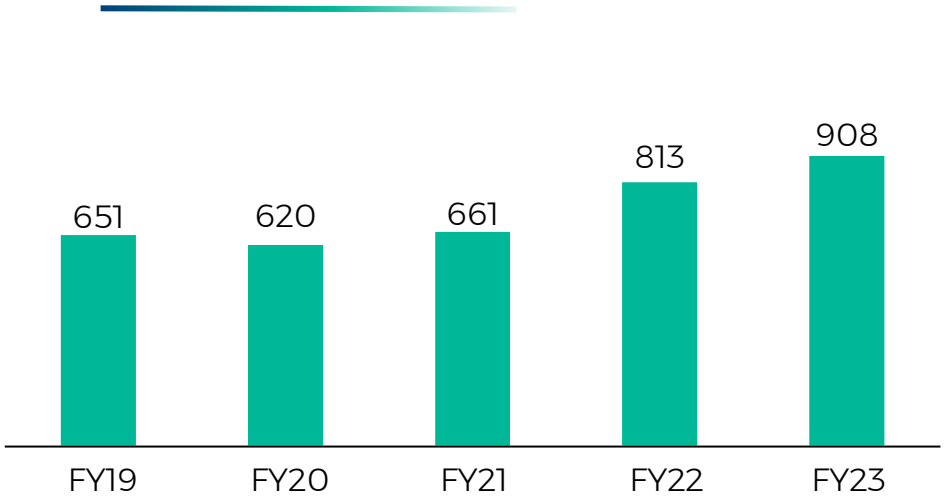


# Yearly Segmental Highlights

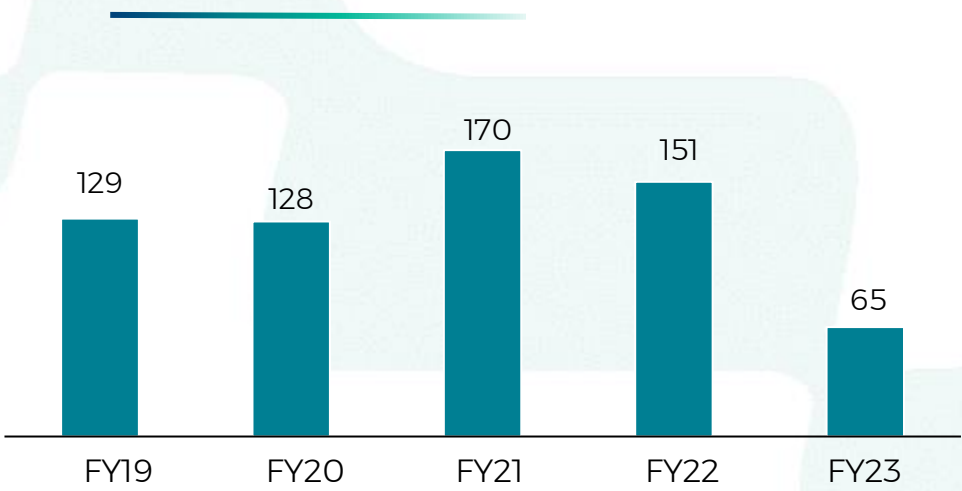
### Pharmaceuticals Revenue



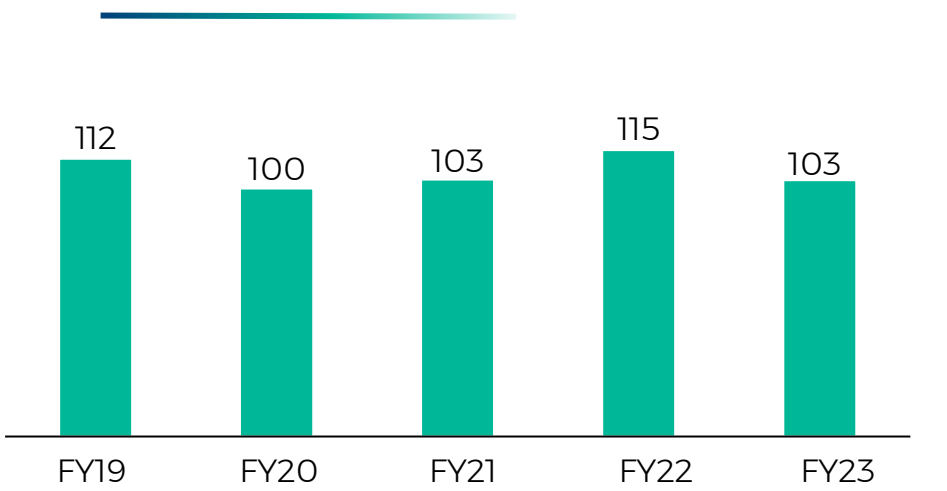
### Crop Protection Revenue



### Pharmaceuticals EBIT



### Crop Protection EBIT



## Consolidated Profit & Loss - Full Year



Particulars (Rs. Crore)	FY23	FY22	Y-o-Y
<b>Net Sales</b>	<b>2,023</b>	<b>1,943</b>	<b>4%</b>
Expenditure	1,766	1,602	
<b>EBITDA</b>	<b>257</b>	<b>341</b>	<b>-25%</b>
<b>Margin</b>	<b>12.7%</b>	<b>17.5%</b>	
Other Income	5	5	
Depreciation	109	96	
Finance Costs	48	31	
Exceptional Item	-	-	
<b>PBT</b>	<b>105</b>	<b>219</b>	<b>-52%</b>
Tax	27	58	
<b>Net Profit</b>	<b>78</b>	<b>161</b>	<b>-51%</b>
<b>Margin</b>	<b>3.9%</b>	<b>8.3%</b>	

## Consolidated Balance Sheet

<b>Assets (Rs. Crore)</b>	<b>Mar-23</b>	<b>Mar-22</b>	<b>Equities &amp; Liabilities (Rs. Crore)</b>	<b>Mar-23</b>	<b>Mar-22</b>
<b>Total Non Current Assets</b>	<b>1,446</b>	<b>1,249</b>	<b>Shareholders Fund</b>	<b>1,134</b>	<b>1,068</b>
Property, Plant and Equipment	885	815	Share Capital	25	25
Capital work in Progress	402	285	Other Equity	1,109	1,043
Right to Use Assets	63	64	<b>Total Non Current Liabilities</b>	<b>591</b>	<b>376</b>
Other Intangible Assets	-	1	Financial Liabilities		
Intangible Assets Under Development	10	10	Borrowings	490	287
Financial Assets			Lease Liability	-	-
Investments	5	1	Provisions	24	24
Loans	-	-	Deferred Tax Liabilities (net)	33	36
Other	19	15	Other non current liabilities	44	29
Income Tax Assets (Net)	2	2	<b>Total Current Liabilities</b>	<b>661</b>	<b>769</b>
Other Non Current Assets	60	57	Financial Liabilities		
<b>Total Current Assets</b>	<b>940</b>	<b>964</b>	Borrowings	258	388
Inventories	317	329	Lease Liability	-	-
Financial Assets			Trade Payables	313	249
Current Investment	-	10	Other Financial Liabilities	49	68
Trade Receivables	442	438	Other Current Liabilities	24	48
Cash & Cash Equivalents	27	11	Provisions	3	3
Bank Balances	33	38	Current Tax Liabilities (Net)	14	12
Loans	-	-	<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>2,386</b>	<b>2,213</b>
Other	17	17			
Other Current Assets	104	120			
<b>TOTAL ASSETS</b>	<b>2,386</b>	<b>2,213</b>			

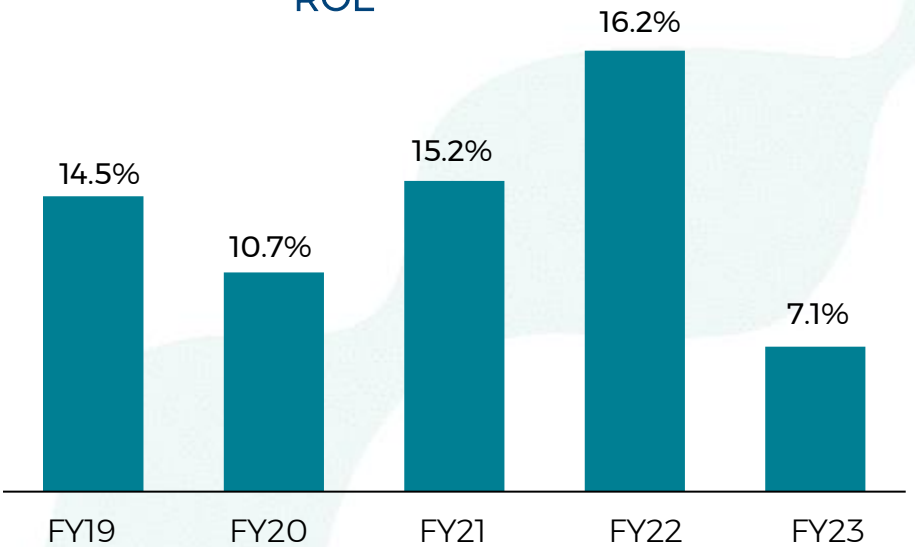
## Consolidated Cash Flow Statement



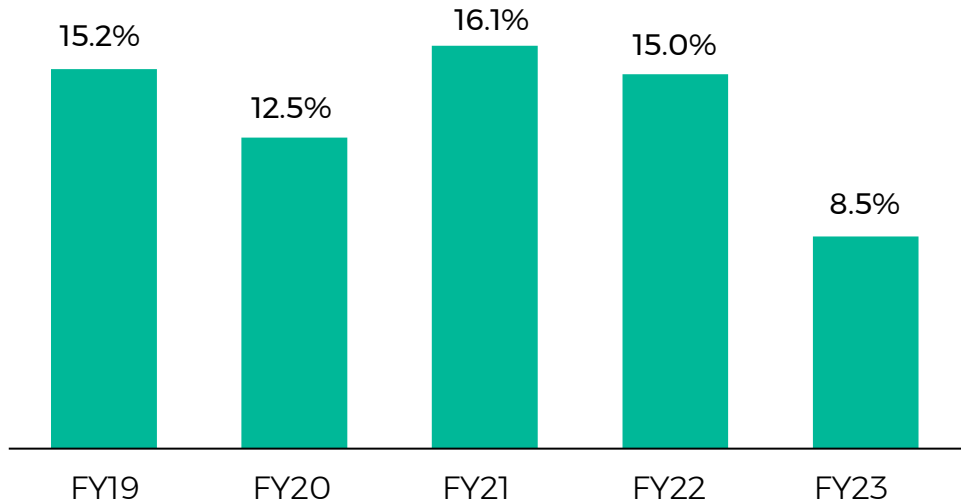
<b>Particulars (Rs. Crore)</b>	<b>Full Year ended 31-Mar-23</b>	<b>Full Year ended 31-Mar-22</b>
Profit before tax	105	219
<i>Adjustments</i>	163	126
Operating Profit Before Working Capital Changes	268	345
<i>Change in operating assets and liabilities</i>	76	19
Cash generated from operations	344	364
<i>Income taxes paid</i>	29	70
<b>Net cash inflow from operating activities (A)</b>	<b>315</b>	<b>294</b>
<b>Net cash inflow/(outflow) from investing activities (B)</b>	<b>(292)</b>	<b>(284)</b>
<b>Net cash outflow from financing activities (C)</b>	<b>(8)</b>	<b>(6)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>15</b>	<b>3</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>11</b>	<b>8</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>26</b>	<b>11</b>

# Ratio Analysis

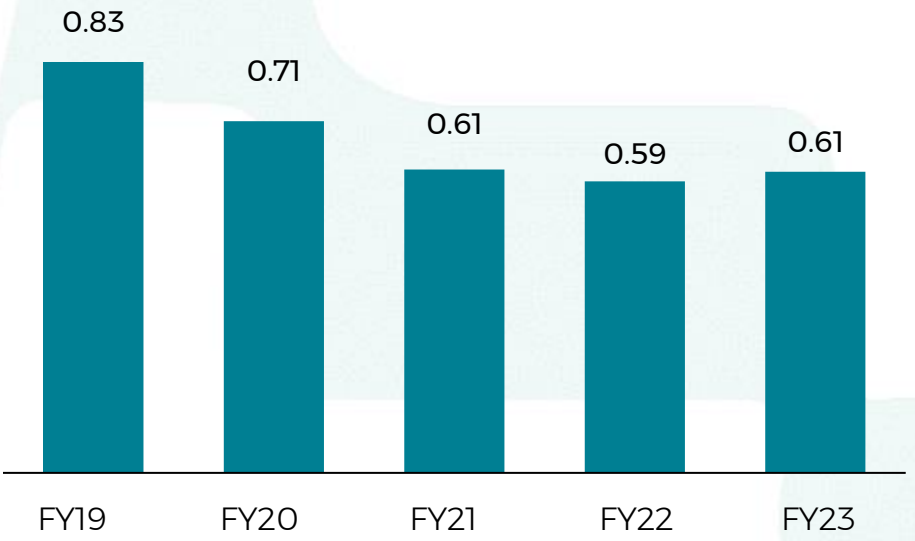
## ROE



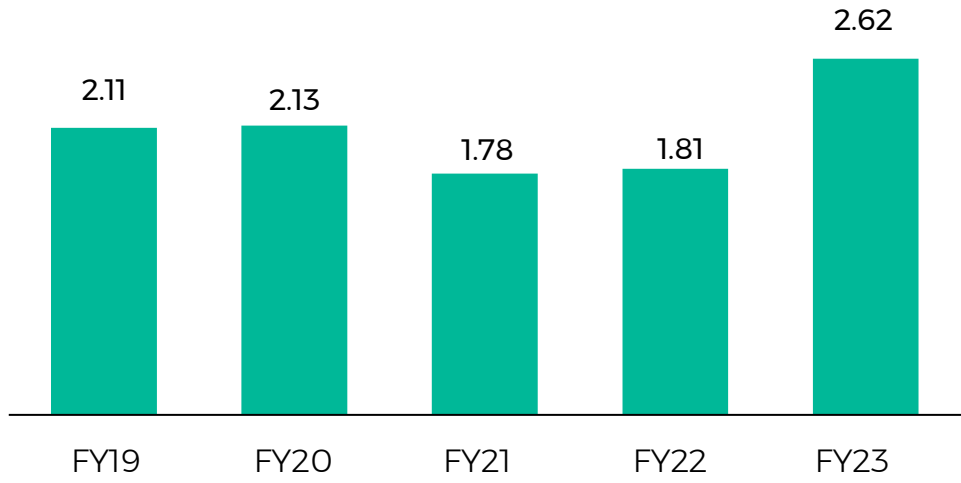
## ROCE



## Net Debt / Equity



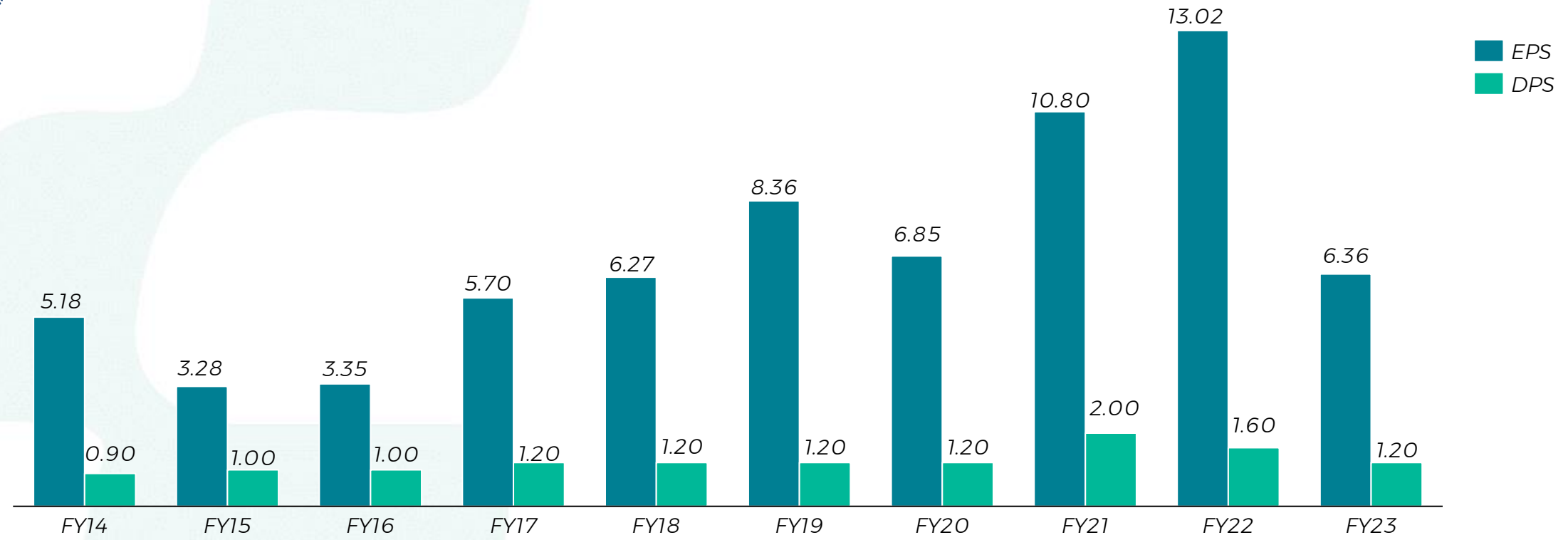
## Net Debt / EBITDA



# Annual Dividend Payout

Dividend Payout including DDT

24% 22% 18% 19% 17% 20% 19% 19% 12% 19%



The above dividend is based on Face Value of Rs. 2 per share



**Company :**

**Hikal Limited**

**CIN: L24200MH1988PTC048028**

Mr. Kuldeep Jain

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**SGA** Strategic Growth Advisors

**Investor Relations Advisors :**

**Strategic Growth Advisors Pvt. Ltd.**

**CIN: U74140MH2010PTC204285**

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**HIKAL**

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